

## Message Text

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15

ORIGIN COME-00

INFO OCT-01 EA-11 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00

DODE-00 EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-04 RSC-01 AID-20 CIEP-02 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 OMB-01

OIC-04 AF-10 ARA-16 EUR-25 NEA-10 /243 R

DRAFTED BY COMMERCE:KFERNANDEZ:SMM

APPROVED BY STR:AHGARLAND

AGRICLTURE:RMCCONNELL

COMMERCE:DSCHLECHTY

DEFENSE:JDARLING

INTERIOR:EGEALY

LABOR:JCOYLE

STATE:TGEWECKE

TREASURY:BBARREDA

----- 088517

R 091823Z NOV 73

FM SECSTATE WASHDC

TO USMISSION GENEVA

INFO AMEMBASSY WELLINGTON

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E.O. 11652:N/A

TAGS: GATT, NZ, ETRD

SUBJECT: GATT ARTICLE XXVIII NEGOTIATIONS - NEW ZEALAND

REFS: (A) GENEVA 5323; (B) FALCONER TO CULBERT LETTER OF

10/5/73

1. TSC 73-59 APPROVED NOVEMBER 9, BEING POUCHED TO GENEVA

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TO SUPPORT SUBJECT NEGOTIATIONS. FOLLOWING CONSTITUTES

INSTRUCTION SECTION OF TSC PAPER.

2. NEW ZEALAND OFFERS SPECIFIED REFS A AND B FALL APPROXIMATELY NZ DOLS 757,000 (US DOLS 848,000) SHORT OF BALANCING US CLAIMS FOR COMPENSATION. US CLAIMS FOR INITIAL NEGOTIATING RIGHTS (INR'S) ON FLOOR COVERINGS, MEASURING AND CHECKING INSTRUMENTS, MARINE ENGINES (1968/70 AVERAGE) AND ELECTRIC MOTORS AND PARTS (1969/71 AVERAGE) TOTAL NZ DOLS 2,747,098 (US DOLS 3,076,750) AND ARE LISTED CORRECTLY IN REF B. HOWEVER, US CLAIMS AS SUBSTANTIAL SUPPLIER OF ITEMS 37.01.009 AND 37.02.009 SENSITISED POLYESTER FIRM ARE SHOWN INCORRECTLY. DATA IN REF B NZ DOLS 304,869 (US DOLS 341,453) IS 1969/71 AVERAGE IMPORTS FROM US FOR ITEM 37.01.009 ONLY AND OMITTS US TRADE IN ITEM 37.02.009 I.E., NZ DOLS 133,965 (US DOLS 150,041). HENCE, CORRECT SUMMARY OF US CLAIMS FOR COMPENSATION IS (A) INR - NZ DOLS 2,747,098

(US DOLS 3,076,750) (B) SUBSTANTIAL SUPPLIER - NZ DOLS 438,834 (US DOLS 491,494) (C) TOTAL - NZ DOLS 3,185,932 (US DOLS 3,568,244) - RATHER THAN NZ DOLS 3,051,967 (US DOLS 3,418,203) AS SHOWN REF B. TSC 73-59, TABLE 1 SETS FORTH US CLAIMS.

3. ALL INR ITEMS CLAIMED BY THE UNITED STATES WERE BOUND IN OUR NAME. SUBSTANTIAL SUPPLIER ITEMS WERE BOUND INITIALLY TO EC AND SUBSEQUENTLY REBOUND IN KR AS FLOATING INR. ALL COMPENSATORY CONCESSIONS GRANTED TO BALANCE US INR ITEMS WITHDRAWN MUST BE BOUND TO UNITED STATES TO ASSURE RETENTION EQUIVALENT US RIGHTS IN SCHEDULE XIII. WE WILLING, HOWEVER, ACCEPT FLOATING KR TYPE BINDINGS OR BINDINGS TO OTHER CPS AS COMPENSATION FOR SUBSTANTIAL SUPPLIER ITEMS.

4. IF OFFERS SPECIFIED REFS A AND B ARE FOR BINDINGS TO

UNITED STATES, ALL ACCEPTABLE, EXCEPT ITEM 73.24.000, COMPRESSED OR LIQUIFIED GAS CONTAINERS. WE DO NOT BELIEVE BINDING ALREADY FREE RATE OF 73.24.000 WHICH IS TECHNOLOGICALLY SOPHISTICATED ITEM WOULD BE OF PARTICULAR BENEFIT TO US TRADE, ALTHOUGH WE MIGHT RECONSIDER ON BASIS LIMITED OFFICIAL USE

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PARTIAL CREDIT OR TO ROUND OUT TOTAL CONCESSION PACKAGE. OFFER ON ITEMS 39.03.101/109 AS REQUESTED BY UNITED STATES IS ACCEPTABLE, BUT WE WILL GIVE ONLY ONE-THIRD CREDIT SINCE ONLY BINDING AT CURRENT RATE OFFERED; I.E., NZ DOLS 106,882 (US DOLS 119,708) OUT OF TOTAL IMPORTS FROM THE UNITED STATES OF NZ DOLS 320,465 (US DOLS 358,921) AS NOTED IN US REQUEST (STATE 126146, PARA 4). THUS, ACCEPTABLE NZ OFFERS TOTAL NZ DOLS 2,428,973 (US DOLS 2,720,450)

AS OPPOSED TO US CLAIMS OF NZ DOLS 3,185,932 (US DOLS 3,568,244) LEAVING NZ DOLS 756,959 (US DOLS 847,794) SHORTFALL.

5. TO COMPENSATE FOR SHORTFALL US REQUESTING GNZ CONSIDER BINDING 50 PERCENT TARIFF REDUCTION ON FOLLOWING THREE ITEMS: (A) 84.19.059 MACHINERY FOR FILLING --- BOTTLES, CANS, ETC. - MFT RATE - 45 PERCENT, AVERAGE US TRADE 1968/71 - NZ DOLS 412,750 (US DOLS 462,280); (B) 84.34.001 TYPE-CASTING MACHINES AND ACCESSORIES - MFT RATE - 10 PERCENT, US TRADE - NZ DOLS 279,571 (US DOLS 313,120); AND (C) 84.30.014 FRUIT AND VEGETABLE PREPARING MACHINERY - MFN RATE - 45 PERCENT, US TRADE - NZ DOLS 137,499 (US DOLS 153,999). THE FIRST ITEM WAS ON OUR ORIGINAL REQUEST LIST BUT THE LATTER TWO ARE NEW REQUESTS.

6. ACTION REQUESTED. US REP SHOULD: (A) CONFIRM AMOUNT OF US INR AND SUBSTANTIAL SUPPLIER CLAIMS AS OUTLINED PARA 1 WITH GNZ REPRESENTATIVE; (B) EXPLAIN US REQUEST FOR

DIRECT BINDINGS TO COMPENSATE FOR WITHDRAWAL OF US INR'S AS EXPLAINED PARA 2; (C) EXPLAIN US ANALYSES OF GNZ OFFERS AND SUBMIT US REQUESTS FOR FURTHER COMPENSATION AS OUTLINED PARAS 3 AND 4 AND AS DELINEATED IN TABLES II AND III OF TSC 73-59. FURTHER US REPS SHOULD MAKE CLEAR THAT TWO MONTH DELAY IN IMPLEMENTATION FUTURE TARIFF INCREASES ON BOUND ITEMS AS MENTIONED REF A WOULD BE ACCEPTABLE UNDER GATT ONLY IF RENEGOTIATIONS FOR COMPENSATION WERE COMPLETED WITHIN THAT TIME FRAME. AS PRACTICAL MATTER THIS SEEMS UNLIKELY DUE TO DELAYS WHICH NECESSARILY ARISE DUE TO PREPARATION OF OFFERS AND REQUESTS WHICH CHARACTERIZE ANY RENEGOTIATION OF CONCESSIONS. RUSH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TARIFF CONCESSIONS, NEGOTIATIONS, IMPORT DATA, TARIFF LIBERALIZATION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 NOV 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Page Count:** 3  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** (A) GENEVA 5323; (B) FALCONER TO CUL, BERT LETTER OF  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
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US Department of State  
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30 JUN 2005

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**Review Transfer Date:**  
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**Status:** NATIVE  
**Subject:** GATT ARTICLE XXVIII NEGOTIATIONS - NEW ZEALAND  
**TAGS:** ETRD, NZ, US, GATT  
**To:** GENEVA  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005